



# Oxfam Hong Kong Poverty Report: Employment and Poverty in Hong Kong Families

## 1. INTRODUCTION

Poverty in the workforce – also referred to as ‘the working poor’ – is an issue that Oxfam Hong Kong has been addressing for years through research, advocacy, public education and support for community projects. We see that among the swelling ranks of the poor and the near-poor are people who have worked hard all their lives, but are still unable to ensure a decent standard of living for their families.

This report examines the facts concerning poverty and employment among Hong Kong families over the past five and a half years. It concludes that changes are urgently needed and sets forth policy proposals for the Hong Kong Government to improve the situation of the working poor.

## 2. EXECUTIVE SUMMARY

Between 2005 and 2009, Hong Kong’s per capita gross domestic product, or GDP, grew from HK\$211,405 to HK\$232,599; but the number of people living in poor households where at least one family member was employed also increased from 595,600 to 650,100. In 2010 Q2 the number rose to 660,700, the highest ever. Moreover, the ratio of the monthly median income of the richest 10% of households to that of the poorest 10% was 27:1. These figures show that not everyone is benefiting from the economic growth.

Our report shows that of all households with at least one employed person, 10.2%, or 192,500 households, had an income of less than half the median income of all such households in 2010 Q2. Between 2005 and 2010 Q2, the number of households with an income below this marker increased by 12%. The majority of these households are comprised of families of three or more members.

The working members of these households on average must support three people including themselves. This is a heavier burden than the average Hong Kong household, in which one worker supports approximately two people, including himself or herself. This reveals the need for further income protection for poor families in addition to the minimum wage.

The government has taken some steps to address the situation. It will soon set a minimum wage, and its Comprehensive Social Security Assistance (CSSA) program, transport support scheme, various child care support programs and short-term food assistance offer some relief to poor families. However, these measures are far from adequate; and the government must do much more to address the problem of worsening poverty among the working population. Making matters worse is the stigmatization faced by recipients of the CSSA.

Oxfam Hong Kong urges the government to take immediate action, including ensuring that the

statutory minimum wage takes into account a worker's need to support his or her family, providing comprehensive income protection policies for employed members of poor families. In the long run, tax credits should be explored as a form of direct income support, as a supplementary provision to the minimum wage. It should also launch public education about the positive social function of CSSA for low-income families.

### **3. POVERTY TRENDS**

#### **3.1 GENERAL POVERTY TRENDS**

##### **3.1.1 The monthly median household income of the richest 10% is 27 times that of the poorest 10%**

Comparing the median monthly income of the richest 10% of households with the poorest 10% in 2010 Q2 revealed that the former was 27 times that of the latter. Moreover, the median monthly income of the poorest 10% and 20% of households remained the same as in 2005, at \$3,000 and \$6,000 respectively. However, an increase of 16% was noted in the top 10% of earners, from \$70,000 in 2005 to \$80,900 in 2010 Q1. (See appendix: Table 1)

##### **3.1.2 The widest income gap among the world's wealthiest economies**

According to the Human Development Report released by the United Nations Development Programme (UNDP) in 2009, the income gap between rich and poor in Hong Kong is the widest among the world's wealthy economies. The report showed that Hong Kong had a Gini Coefficient of 43.4, the highest among developed economies, followed by Singapore at 42.5, the United States at 40.8 and Israel at 39.2. The Gini Coefficient measures the distribution of wealth, with 0 representing total equality and 100 total inequality.

#### **3.2 TRENDS AMONG THE WORKING POOR**

##### **3.2.1 More poor families**

From 2005 to 2010 Q2, among households with at least one person employed, the number of poor households increased by 12%, from 172,600 to 192,500. That means one in every 10 such families (10.2%) is living in poverty, with an income less than half the median monthly income of the correspondent family size. (See appendix: Table 2 and Figure 1)

When we shift the spotlight to the total number of people living in these households, we can see that the poverty rate has risen from 10.5% to 11.4%, with the number of people increasing from 595,600 to 660,700. That means that one of every nine people living in households with at least one working member is trapped in poverty. (See appendix: Table 4)

##### **3.2.2 Large families suffer most**

Statistics from recent years show that about 65% of poor households with at least one working member include three or four family members. The percentage of three-person households increased from 31.7% in 2005 to 35.8% in 2010 Q2. The percentage of four-person households increased from 32.4% in 2005 to 33.4% in 2010. (See appendix: Table 3)

Families with three or more members generally had a higher rate of poverty than average from 2005-2010 Q2, which implies that the livelihood of these families is at higher risk. For households with three, four, five and six or more members, the poverty rates are recorded as 12.2%, 13.2%, 12.5% and 11.5% respectively in 2010 Q2, which are much higher than the average (10.2%). (See appendix: Table 2)

### **3.2.3 Employed members of poor families bear heavier burden**

Examining the family composition of poor households with at least one worker reveals that the proportion of dependents (aged below 15 or aged 65 and above) is higher than in the households of the overall working population. From 2005 to 2010 Q2, the proportion of households with dependents in the first group was consistently over 65%, whereas the figure was 45% in the second group. In 2010 Q2, over 63% of poor families with one or more worker had dependents aged below 15 or above 65, which is much higher than the 45% among all families with working members. (See appendix: Table 5)

These figures suggest that some people of working age in poor families may need to look after dependents and therefore cannot easily enter the workforce. From 2005 to 2010 Q2, the employment rate for poor households was consistently around 20% lower than the overall household employment rate. In 2010 Q2, the overall rate of employment calculated by households was 54.9%, but for poor households it was only about 32.9%. (See appendix: Table 7)

When we look into the number of family members supported by each worker in the two groups from 2005 till the present, the ratio is 1:2 for the working poor, which means every employed person in a poor household has to support two family members in addition to himself or herself. However, the ratio is found at only 1:0.8 of the general employed households. (See appendix: Table 6)

### **3.2.4 A large portion of households of the working poor are living below CSSA level**

In 2010 Q2, 124,300 poor families with at least one worker had a monthly income of less than the average CSSA payment for the corresponding household size; this situation describes 64.6% of the total households of the working poor. However, a majority of these households, though most would qualify, are actually not on CSSA. In July 2010, only 14,887 low-income households were on CSSA, representing just 12% of households with at least one worker that are currently living below the CSSA standard. (See appendix: Tables 8 and 9)

## **4. INEFFECTIVE GOVERNMENT POLICIES**

The government has adopted a range of policies to facilitate the entry of poor people to the workforce. However, these measures are insufficient and not effective enough to combat the poverty faced by families of the working poor.

### **4.1 Minimum Wage Bill excludes family needs**

Although the Minimum Wage Bill was passed in July this year, the needs of workers and their families were excluded from the list of criteria to be considered in setting the wage level. That means the wage may be set at a level that will not provide a decent living for low-income workers and their families. The minimum wage alone will not lift families of the working poor out of poverty.

### **4.2 Negative Labeling of CSSA denies the needy a safety net**

Hong Kong's Chief Executive stated in his Policy Address 2008-09 that the minimum wage may not be sufficient to cover the living expenses of all workers and their families, and that employees may apply for CSSA in order to maintain a basic standard of living. However, according to our report, only 12% of potentially eligible families with at least one worker are now on CSSA. According to the results of our CSSA Perception Surveys conducted in 2007 and 2009, the low take-up rate is partly attributed to the long-established stigma attached to welfare recipients in Hong Kong, which discourages the working poor from applying for CSSA even if they are eligible.

The government has not adequately informed the public of the social function of CSSA in relation to families in need and society as a whole. Moreover, some government pronouncements (such as statements suggesting that long-term recipients of CSSA would become dependent on welfare and therefore lazy or that the level of support would discourage recipients from looking for work, etc.) have tended to strengthen public misperceptions and the stigmatization of CSSA recipients.

#### **4.3 Narrow Scope of Transport Support Scheme**

In 2007, the government launched its Transport Support Scheme on a pilot basis, but only employees living in Yuen Long, Tuen Mun, New Territories North and outlying islands with monthly salaries below HK\$6,500 are eligible for the transport allowance of HK\$600 a month under the current scheme. However, only 40,203 people have applied for the scheme since its launch, which is only 18.5% of the employed persons (217,100 in 2010 Q2) in poor households. Moreover, it is still a temporary measure restricted to four remote districts, which cannot benefit workers living in other districts who also need to travel to work.

#### **4.4 Insufficient Child Care Support**

The Hong Kong Government has launched two projects, the After School Care Programme (ASCP) and Neighbourhood Support Child Care Project (NSCP) to support working parents with children. The former targets children aged six to 12 and the latter targets those younger than six.

By the end of 2009, the NSCP could accommodate only 440 children (including 286 home-based and 154 centre-based care group places). From April to December 2009, the average number of children benefiting from the scheme each month was 430. According to figures provided by the Census and Statistics Department, there were 34,900 poor households with at least one working member and a child younger than six in 2009. Assuming all those families have only a single child, it means only 1.2% of such families are benefiting from the existing program. Apart from the inadequate number of places, the project does not provide any escort service. Parents have to take their children to the programme after school, which makes it difficult for them to work full time.

Moreover, there have been complaints that the childcare workers employed by these programmes are paid an unfair low wage. The fees for home-based childcare services range from \$18 to \$24 per hour, while those for centre-based care groups range from \$13 to \$24 per hour. The childcare workers generally receive only \$18-\$20 after administrative costs are deducted, which is much lower than the proposed minimum wage.

The ASCP waives its fee for low-income families, but only offers 1,540 such places per year, which means the programme was available to only 2.7% of poor working parents with children aged between 6-15 in 2009. (There are 56,400 families in this category.) Only 190 places remain in the current fiscal year. Apart from the inadequate number of places, the comparatively expensive programme fee (over \$1,000 per month), the lack of service on weekends and public holidays and other considerations make the programme unsuitable for many poor working parents.

Both projects have been criticised for insensitivity and lack of consistency in conducting evaluations of families that apply for fee waivers or reductions. There are no clear guidelines or official standards for granting waivers; decisions are made on a case-by-case basis. Families with financial difficulties may therefore not find it easy to obtain the benefits to which they are entitled.

#### **4.5 Short-term Food Assistance Service Projects**

In 2009, the government allocated funds to five non-governmental organizations (NGOs) to operate territory-wide short-term food assistance services for up to six weeks so as to help individuals and families struggling to meet their daily food expenses. Deprived groups such as the unemployed, low-income earners and the poor elderly were the main targets of the project, who would receive food such as rice, canned foods or instant food for a short period of time if they passed the assessment.

This project did not benefit most low-income earners engaged in labour or outdoor work, for example, as it could not reduce their meal expenses during working hours. Most such workers must buy their meals outside rather than bringing a lunch box as there is no refrigerator provided for them to store food at their workplaces. With the soaring prices of food, especially meat, flour and rice, in recent years, it is difficult for them to afford their daily meals.

## **5. OXFAM HONG KONG RECOMMENDATIONS**

Oxfam Hong Kong maintains that all working people have a right to a decent minimum standard of living for themselves and their families. The establishment of a minimum wage will reduce the prevalence of poverty among the employed to a certain extent, but this measure alone may not be adequate to lift families out of poverty, especially those with three or more family members and with dependents. In fact, it is intolerable to allow a significant portion of the population, which is contributing to the workforce in our society, to remain in desperate straits for extended periods, to become marginalized with regard to mainstream society, and to put their futures and those of their families in jeopardy. In order to correct this situation we recommend that the Hong Kong Government consider the following policy suggestions:

### **5.1 Minimum Wage**

- ◆ Ensure the minimum wage is set at a level adequate to enable a worker to feed herself/himself and at least one additional family member.
- ◆ Review the minimum wage each year with reference to the consumption price index, the basic needs of families, the performance of the labour market and the latest statistics on poor households with working family members.

### **5.2 Transport Support Scheme**

- ◆ Expand the existing scope of the transport support scheme from four remotes areas (Tuen Mun, Yuen Long, New Territories North and outlying islands) to all administrative districts.
- ◆ The existing scheme limits subsidies to a period of twelve months. This is not attractive enough to encourage people to seek long-term employment far from their homes. The government is advised to provide a whole work life subsidy to eligible low wage earners so as to increase the incentive for them to remain in the labour market.

### **5.3 Childcare support**

#### **5.3.1 Neighbourhood Support Child Care Project (NSCCP)**

- ◆ Expand the existing scope of the NSCCP from the current six districts (Tung Chung, Sham Shui Po, Kwai Chung, Tuen Mun, Yuen Long and Kwun Tong) to all administrative districts.
- ◆ Pay all childcare workers at least the minimum wage.
- ◆ Expand the number of places in the programme and provide escort services to participating children.
- ◆ The government must commit to ensuring that childcare projects are adequately subsidized and provide enough fee waivers or reductions for all poor families with working members. Poor families with members working at least 72 hours<sup>1</sup> per month should be granted fee waivers for their children in the programme. Those working less than 72 hours but more than 30 hours<sup>2</sup> should be granted fee reductions.

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<sup>1</sup> Under the Employment Ordinance (Cap 75), anyone who is employed continuously for four weeks or more and works at least 18 hours each week (72 hours per month) is entitled to basic protection under the Ordinance. (<http://www.labour.gov.hk/eng/public/ConciseGuide.htm> )

<sup>2</sup> The official definition of “part-time employee” used by the Census and Statistics Department in its report Social Data Collected via the General Household Survey: Special Topics Report No. 52, which defines “part-time employee” as an employee working less than 30 hours per week and without a fixed number of working days per week.

### **5.3.2 After School Care Programme (ASCP)**

- ◆ Extend the service until 8:00 pm on weekdays and provide service during weekends and public holidays as well.
- ◆ Expand the number of places and provide escort services for participating children.
- ◆ The government must commit to ensuring that childcare projects are adequately subsidized and provide enough fee waivers or reduced rates for all poor families with working members. Poor families with members working at least 72 hours<sup>3</sup> per month should be granted fee waivers. Those working less than 72 hours but more than 30 hours<sup>4</sup> should be granted fee reductions.

### **5.4 Family carer allowance**

- ◆ In order to respect gender equality and division of labour in taking up family responsibilities and recognize the socio-economic importance of family care, a family carer allowance should be granted to ensure a basic standard of living for workers who must remain outside the paid workforce or reduce their working hours in order to care for family members.
- ◆ The family carer allowance should be provided to adults on low incomes who need to look after family members on a full-time basis.

### **5.5 Meal allowances for employed persons**

- ◆ On top of the Short-term Food Assistance Service Projects, extra meal allowances could be provided to employed persons with low incomes.

### **5.6 Promote a positive public image of CSSA recipients**

- ◆ It is necessary to foster public recognition of the significance of low-income CSSA. The government should take positive steps to explain the vital importance of low-income CSSA, so as to encourage its use to assist all those whose earnings fall below subsistence level.

### **5.7 Tax credits for families of working poor**

- ◆ Tax programmes, including negative income tax and tax credits, are effective measures against employment poverty in the United Kingdom, United States and Western Europe. A complement to social welfare, such programs also encourages unemployed workers to rejoin, and low-income earners to stay in, the labour market.

## **6. CONCLUSION**

In this report, Oxfam Hong Kong has tried to explore how poverty manifests in the households of employed workers in Hong Kong. We find that poverty has escalated, and that the income gap between the rich and the poor continues to widen. The number of poor households with employed family members is growing, despite overall economic growth in Hong Kong. This situation, in our view, is unacceptable and the government should re-examine its policies.

Strengthening programmes to alleviate the plight of the working poor should be the focal point of the government after the legislation of the minimum wage. Oxfam Hong Kong urges the government to be more determined to combat poverty. One step is to ensure that the minimum wage is high enough to allow low-income earners to meet the needs of their families and maintain a decent standard of living.

Our report shows that despite the increase in the number of poor families with working members, few apply for social handouts because of severe stereotyping of welfare recipients. The government should take the lead in fostering a positive attitude towards CSSA recipients and launch more public education on the social function of CSSA.

In the meantime, we are also calling on the government to provide all-round policies that will

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<sup>3</sup> Same as footnote (1)

<sup>4</sup> Same as footnote (2)

assist people in entering the labour market and getting decent jobs. Introducing comprehensive child support policies, extending transport allowances to all districts and meal allowances to the employed poor people are urgently needed interventions to eliminate poverty among the employed.

In the long run, the government may consider offering working tax credits by providing direct income support to families with employed members in the lowest income group, to poor families with children or with disabled members, and to single-parent families.

## Appendix: Poverty Facts of Families of Employed Poor (2005-2010 Q2)

“*Employed Household*”: domestic household with at least one employed person (excluding foreign domestic helpers)

“*Household of Employed Poor*”: domestic household with monthly household income less than half of median monthly household income of the corresponding household size with at least one employed person (excluding foreign domestic helpers)

### (A) Income disparity of domestic household in Hong Kong (2005 to 2009)

1. The median monthly income of the richest 10% of households was 27 times that of the poorest 10% in 2010 Q1. (Table 1)

**Table 1: Comparison of monthly median household income of poorest 10% to richest 10% from 2005 to 2010 Q1**

	2005	2006	2007	2008	2009	2010 Q1
Decile Group	Median monthly household income (HK\$)					
1st	3000	3100	3100	3200	3000	3000
2nd	6000	6000	6200	6500	6000	6000
3rd	8700	8800	9000	9500	8900	9000
4th	11400	11700	12000	12500	12000	12000
5th	14500	15000	15400	16000	15000	16000
6th	18000	19000	19900	20000	19600	20000
7th	22700	23500	24600	25000	24100	25500
8th	29200	30000	30700	31800	30900	33000
9th	40000	40000	42400	44000	42500	46000
10 <sup>th</sup>	70000	70000	75000	77000	75000	80900
<b>Ratio of the richest 10% (10<sup>th</sup> Decile Group) to the poorest 10% (1<sup>st</sup> Decile Group)</b>	<b>23.3</b>	<b>22.6</b>	<b>24.2</b>	<b>24.1</b>	<b>25.0</b>	<b>27.0</b>

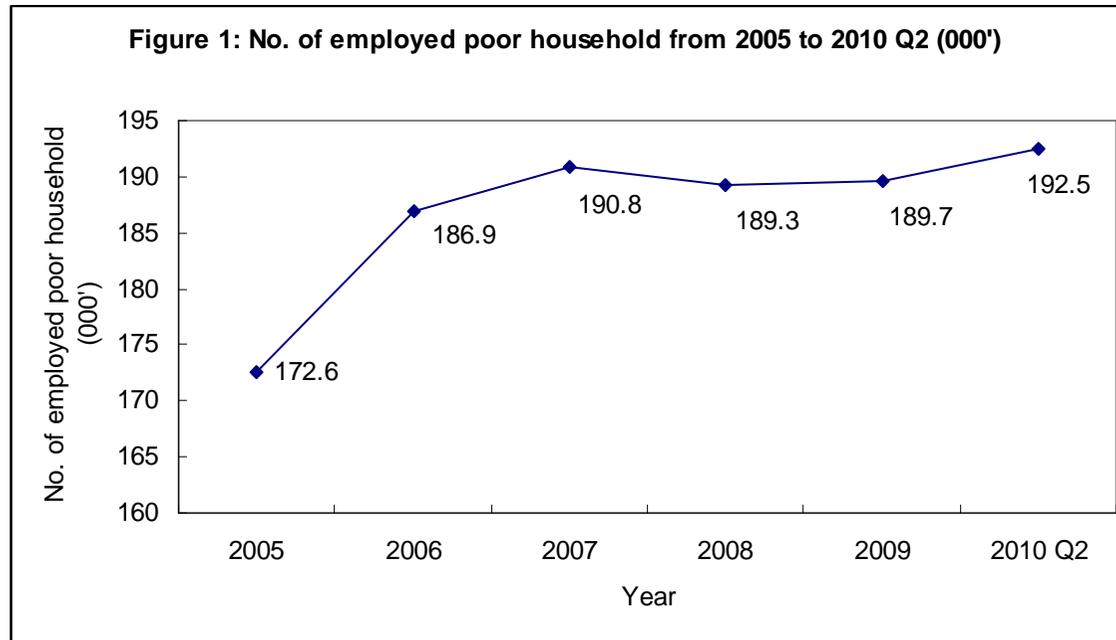
**(B) Situations of households of employed poor have steadily increased during the past 5 and a half years (2005 to 2010 Q2)**

2. The situation of poor households with at least one person employed has increased by 12% from 2005 to 2010 Q2, and latest number reaches the **highest to 192,500**. The poverty rate is noted at 10.2% which meant that one in every 10 employed household is living in poverty. ( Table 2 and Figure1 )
3. It is noted that the poverty rate is comparatively high amongst the household with three members or above. **The household size with three household or above indeed have poverty rates higher than the average**. The above average poverty rate implies that the severity of poverty in these household size is higher than in others. ( Table 2)

**Table 2: Number household of employed POOR and the poverty rate by corresponding household size from 2005 to 2010 Q2**

Househd size	2005			2006			2007			2008			2009			2010 Q2		
	househd of employed POOR	overall employed househd	poverty rate (%)	househd of employed POOR	overall employed househd	poverty rate (%)	househd of employed POOR	overall employed househd	poverty rate (%)	househd of employed POOR	Overall employed househd	poverty rate (%)	househd of employed POOR	Overall employed househd	poverty rate (%)	househd of employed POOR	overall employed househd	poverty rate (%)
1	4400	190600	2.3	4600	201200	2.3	4100	195000	2.1	3600	194200	1.9	3800	194600	2.0	4000	192200	2.1
2	30600	393300	7.8	37800	407300	9.3	36500	416600	8.8	35000	424300	8.2	30900	432200	7.1	30200	432200	7.0
3	54800	498400	11.0	60800	510100	11.9	65300	521200	12.5	60800	540900	11.2	66800	543200	12.3	68900	563400	12.2
4	56000	493200	11.4	59900	491900	12.2	59700	501300	11.9	63100	496500	12.7	64800	490200	13.2	64200	485300	13.2
5	20600	168900	12.2	17500	158100	11.1	19800	160300	12.4	18900	156200	12.1	16700	150600	11.1	19100	153400	12.5
6+	6300	62900	10.0	6300	60700	10.4	5500	57300	9.6	8000	58400	13.7	6700	57600	11.6	6000	52400	11.5
<b>Overall</b>	<b>172600</b>	<b>1807300</b>	<b>9.6</b>	<b>186900</b>	<b>1829200</b>	<b>10.2</b>	<b>190800</b>	<b>1851600</b>	<b>10.3</b>	<b>189300</b>	<b>1870500</b>	<b>10.1</b>	<b>189700</b>	<b>1868500</b>	<b>10.2</b>	<b>192500</b>	<b>1878900</b>	<b>10.2</b>

Source: Census and Statistics Department



4. Amongst all households of employed poor, **the household with three and four members indeed have already shared about 65% of the total amount.** As looking into the trend of three-member household during 2005 to 2010 Q2, it is noted that it's steadily increased during the year 2005-2009. **For three-member-household, the percentage increased from 31.7% in 2005 to 35.8% in 2010 Q2.** For four-member-household, the percentage is increased from 32.4% in 2005 to 34.2% in 2009. ( Table3)
5. **Between 2005 to 2010 Q2, the poverty rate soared from 10.5% to 11.4%,** with the number of people living in the households of employed poor rising from 595, 600 to 660,700. That means that **1 in every 9 people living in employed household is in poverty trap.** ( Table 4)

**Table 3: Number of domestic households with monthly household income less than half of median monthly household income of the corresponding household size and with at least one employed person (excluding FDH) from 2005 to 2010 Q2**

Household Size	2005		2006		2007		2008		2009		2010 Q2	
	no. of household of employed poor	%	no. of household of employed poor	%	no. of household of employed poor	%	no. of household of employed poor	%	no. of household of employed poor	%	no. of household of employed poor	%
1	4400	2.5	4600	2.5	4100	2.1	3600	1.9	3800	2.0	4000	2.1
2	30600	17.7	37800	20.2	36500	19.1	35000	18.5	30900	16.3	30200	15.7
3	54800	31.7	60800	32.5	65300	34.2	60800	32.1	66800	35.2	68900	35.8
4	56000	32.4	59900	32.0	59700	31.3	63100	33.3	64800	34.2	64200	33.4
5	20600	11.9	17500	9.4	19800	10.4	18900	10.0	16700	8.8	19100	9.9
6+	6300	3.7	6300	3.4	5500	2.9	8000	4.2	6700	3.5	6000	3.1
<b>Overall</b>	<b>172600</b>	<b>100.0</b>	<b>186900</b>	<b>100.0</b>	<b>190800</b>	<b>100.0</b>	<b>189300</b>	<b>100.0</b>	<b>189700</b>	<b>100.0</b>	<b>192500</b>	<b>100.0</b>

Source: Census and Statistics Department

**Table 4: Number of persons living in households of employed POOR and overall employed household from 2005 to 2010 Q2**

	2005	2006	2007	2008	2009	2010 Q2
No. of persons in employed POOR household (A)	595600	628500	644500	651800	650100	660700
No. of persons in overall employed household (B)	5688900	5689400	5762300	5802600	5768700	5788800
<b>Poverty rate (A/B) (%)</b>	10.5	11.0	11.2	11.2	11.3	11.4

Source: Census and Statistics Department

**(C) Households of employed POOR have a much heavier family burden than overall employed household (2005 to 2010 Q2)**

6. The proportion of dependents (aged below 15 or aged 65 and above) in household of employed POOR is comparatively higher than that in the overall employed households (on average higher 20%). **Over 63 % of household of employed poor have dependent members whereas the overall employed household only noted about 45% from year 2005 to 2010 Q2.** ( Table 5)

**Table 5: Percentage of household of employed POOR with person aged <15 or >=65 of employed POOR and overall employed households from 2005 to 2010 Q2**

		2005	2006	2007	2008	2009	2010 Q2
<b>Household of Employed POOR</b>	No. of household of employed POOR with person aged <15 or >=65 (A)	117900	125700	128400	127600	120500	122400
	Total no. of household of employed POOR (B)	172600	186900	190800	189300	189700	192500
	<b>% of household of employed POOR with person aged &lt;15 or &gt;=65 out of the total number of employed poor household (A/B) (%)</b>	<b>68.3</b>	<b>67.3</b>	<b>67.3</b>	<b>67.4</b>	<b>63.5</b>	<b>63.6</b>
<b>Overall Employed Household</b>	No. of employed household with person aged <15 or >=65 (A)	882900	870800	883700	875990	856400	854600
	Total no. of employed household (B)	1807300	1829200	1851600	1870500	1868500	1878900
	<b>% of employed household with person aged &lt;15 or &gt;=65 out of the total number of employed poor household (A/B) (%)</b>	<b>48.9</b>	<b>47.6</b>	<b>47.7</b>	<b>46.8</b>	<b>45.8</b>	<b>45.5</b>

Source: Census and Statistics Department

7. **Family support ratio of household of employed POOR is generally noted at 1:2.0 from 2005 to 2010 Q2** which implies that every employed person in these household have to support the livelihood of two unemployed persons. When we shift the spotlight to the overall employed household, the **family support ratio of overall employed household is only noted at around 1:0.8** which implies that every employed person in these household only need to support 0.8 unemployed persons. (Table 6)

**Table 6: The family support ratio of employed poor and overall employed household**

Year	household Employed POOR				Overall employed household			
	No. of persons in household of employed POOR (A)	No. of EMPLOYED PERSONS in household of employed POOR (B)	No. of UNEMPLOYED PERSONS in household of employed POOR (A-B)	Family support ratio* (B)/(A-B)	No. of persons in overall employed household	No. of EMPLOYED PERSONS in overall employed household	No. of UNEMPLOYED PERSONS in overall employed household (A-B)	Family support ratio* (B)/(A-B)
2005	595600	199800	395800	0.50 = <b>1:2.0</b>	5688900	3084700	2604200	1.18 = <b>1:0.8</b>
2006	628500	214800	413700	0.52 = <b>1:1.9</b>	5689400	3129300	2560100	1.22 = <b>1:0.8</b>
2007	644500	221100	423400	0.52 = <b>1:1.9</b>	5762300	3202000	2560300	1.25 = <b>1:0.8</b>
2008	651800	218700	433100	0.50 = <b>1:2.0</b>	5802600	3237000	2565600	1.26 = <b>1:0.8</b>
2009	650100	218400	431700	0.51 = <b>1:2.0</b>	5768700	3195100	2573600	1.24 = <b>1:0.8</b>
2010 Q2	660700	217100	443600	0.49 = <b>1:2.0</b>	5788800	3179800	2609000	1.22 = <b>1:0.8</b>

Source: Census and Statistics Department

\* **Family Support Ratio** is the ratio of employed population of those entering the labor force to those typically NOT in the labor force:

$$\text{Family support ratio of household of employed POOR} = \frac{\text{No. of EMPLOYED persons in household of employed POOR}}{\text{No. of UNEMPLOYED persons in household of employed POOR}}$$

$$\text{Family support ratio of overall employed household} = \frac{\text{No. of EMPLOYED persons in overall employed household}}{\text{No. of UNEMPLOYED persons in overall employed household}}$$

**Family support ratio of 1:2.0 means EVERY EMPLOYED person in these household have to support the livelihood of TWO UNEMPLOYED persons.**

8. The employment rate of household of employed poor is continuously lower than that of general employed households. In 2010 Q2, the employment rate of general employed households is 54.9% but that of the household of working poor is only about 32.9%. In fact, in a lack of comprehensive child care support policy, some working people may need to look after the dependents in the family and therefore cannot enter the workforce.( Table 7)

**Table 7: Employment rate of household of employed POOR and overall employed household**

	Household of employed POOR			Employed household		
	No. of persons in household of employed POOR (A)	No. of employed persons in household of employed POOR (B)	Employment rate (B)/(A )%	No. of persons in overall employed household (D)	No. of employed persons in overall employed household (E)	Employment rate (E) / (D)%
2005	595600	199800	33.5	5688900	3084700	54.2
2006	628500	214800	34.2	5689400	3129300	55.0
2007	644500	221100	34.3	5762300	3202000	55.6
2008	651800	218700	33.6	5802600	3237000	55.8
2009	650100	218400	33.6	5768700	3195100	55.4
2010 Q2	660700	217100	32.9	5788800	3179800	54.9

Source: Census and Statistics Department

**(D) Majority of the household of employed POOR are living below CSSA level (2005 to 2010 Q2)**

9. **124,300 employed households are living below the CSSA level and in 2010 Q2, which shared 64.6% of the total number of household of employed poor.** That means every 1 in 1.5 household of employed poor is living below CSSA standard. ( Table 8)
10. Amongst all employed households with monthly household income less than the average CSSA payment, **the household with three and four members indeed have already shared over 60 % of the total amount. For three-member-household, the percentage increased from 25.6% in 2005 to 31.4% in 2010 Q2.** ( Table 8)

**Table 8: Number of employed household with monthly household income less than the average CSSA payment of the corresponding household size**

Household size	2005		2006		2007		2008		2009		2010 Q2	
	No. of employed household with monthly household income less than the average CSSA payment	%	No. of employed household with monthly household income less than the average CSSA payment	%	No. of employed household with monthly household income less than the average CSSA payment	%	No. of employed household with monthly household income less than the average CSSA payment	%	No. of employed household with monthly household income less than the average CSSA payment	%	No. of employed household with monthly household income less than the average CSSA payment	%
1	4800	3.5	4600	3.7	4900	4.3	4200	4.2	5300	4.0	5200	4.2
2	16700	12.2	16500	13.3	15400	13.4	13900	13.7	22700	17.2	18300	14.7
3	34900	25.6	32700	26.3	30100	26.1	26200	25.9	39700	30.1	39000	31.4
4	46500	34.1	41900	33.7	37600	32.6	33700	33.3	40400	30.7	37800	30.4
5	21600	15.8	17400	14.0	17500	15.2	14400	14.2	15300	11.6	16200	13.0
6+	12000	8.8	11200	9.0	9600	8.3	8900	8.8	8300	6.3	7700	6.2
<b>Total no. (A)</b>	<b>136500</b>	<b>100.0</b>	<b>124300</b>	<b>100.0</b>	<b>115200</b>	<b>100.0</b>	<b>101200</b>	<b>100.0</b>	<b>131700</b>	<b>100.0</b>	<b>124300</b>	<b>100.0</b>
Total no. of employed poor household (B)	172600		186900		190800		189300		189700		192500	
<b>(A)/(B)(%)</b>	<b>79.1</b>		<b>66.5</b>		<b>60.4</b>		<b>53.5</b>		<b>69.4</b>		<b>64.6</b>	

Source: Census and Statistics Department

11. In 2009 (update to July), only around 15,882 low income households were on CSSA which only shared 12% of the household of employed poor with monthly household income below average CSSA payment of the corresponding household size. That means 88% of the household of employed poor living below CSSA level were not on CSSA. The low take up rate is generally due to the wide-spreading misconceptions, prejudices and discrimination against CSSA recipients from the society according to results of our previous research report “Perception and utilization of the CSSA: A Study on the Views of the Public and Lower Income People” (2007, 2009). (Table 9)

**Table 9: CSSA take up rate of household of employed POOR from year 2005 to 2009**

	2005	2006	2007	2008	2009
<b>Overall household of employed POOR living below CSSA level (A)</b>	136500	124300	115200	101200	131700
<b>Low income CSSA cases (B)</b>	18089	18257	17221	16080	15882*
<b>Take up rate of CSSA of household of employed POOR (B)/(A) (%)</b>	13.3	14.7	14.9	15.9	12.1

Source: Census and Statistics Department

\*Update to July 2009